



# RULE-MAKING ORDER

**CR-103 (June 2004)**  
**(Implements RCW 34.05.360)**

**Agency:** Department of Revenue

☒ **Permanent Rule**  
☐ **Emergency Rule**

**Effective date of rule:**

**Permanent Rules**

☒ 31 days after filing.

☐ Other (specify) \_\_\_\_\_ (If less than 31 days after filing, a specific finding under RCW 34.05.380(3) is required and should be stated below)

**Effective date of rule:**

**Emergency Rules**

☐ Immediately upon filing.

☐ Later (specify)

**Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?**

☐ Yes      ☒ No      If Yes, explain:

**Purpose:**

This rule explains the tax incentives, contained in chapter 82.63 RCW and RCW 82.04.4452, which apply to businesses engaged in research and development or pilot scale manufacturing in Washington in five high technology areas: Advanced computing, advanced materials, biotechnology, electronic device technology, and environmental technology. The rule has been amended to recognize 2004 and 2005 legislation. Information was added to clarify the application of these incentives, and the rule was restructured into a question and answer format to provide the information in a more useful manner.

**Citation of existing rules affected by this order:**

Amended: WAC 458-20-24003 Tax incentives for high technology businesses

**Statutory authority for adoption:** RCW 82.32.300 and 82.01.060(2)

**Other authority :**

**PERMANENT RULE ONLY (Including Expedited Rule Making)**

Adopted under notice filed as WSR 06-11-184 on 5/24/2006

Describe any changes other than editing from proposed to adopted version:

**Subsection (17)(a)—What does the term “person” mean for purposes of this credit?**

The phrase “Effective June 10, 2004, “person” also includes state universities as defined in RCW 28B.10.016” has been removed. This subsection now provides:

“Person” has the meaning given in RCW 82.04.030.

**Subsection (17)(f)—What is “qualified research and development” for purposes of this section?**

The phrase “See subsection (3)(b) of the section for more information” has been replaced with:

“Qualified research and development” means research and development performed within this state in the fields of advanced computing, advanced materials, biotechnology, electronic device technology, and environmental technology.

If a preliminary cost-benefit analysis was prepared under RCW 34.05.328, a final cost-benefit analysis is available by contacting: **An analysis was not prepared.**

**EMERGENCY RULE ONLY**

Under RCW 34.05.350 the agency for good cause finds:

- ☐ That immediate adoption, amendment, or repeal of a rule is necessary for the preservation of the public health, safety, or general welfare, and that observing the time requirements of notice and opportunity to comment upon adoption of a permanent rule would be contrary to the public interest.
- ☐ That state or federal law or federal rule or a federal deadline for state receipt of federal funds requires immediate adoption of a rule.

Reasons for this finding:

**Date adopted:**

**Name (type or print)**

Alan R. Lynn

**Signature**

**Title**

Rules Coordinator

**Filed: August 31, 2006**

**Time: 3:19 p.m.**

**WSR: 06-18-059**

**The above information was input by DOR**

**Note: If any category is left blank, it will be calculated as zero.  
No descriptive text.**

**Count by whole WAC sections only, from the WAC number through the history note.  
A section may be counted in more than one category.**

**The number of sections adopted in order to comply with:**

<b>Federal statute:</b>	New	Amended		Repealed
<b>Federal rules or standards:</b>	New	Amended		Repealed
<b>Recently enacted state statutes:</b>	New	Amended	1	Repealed

**The number of sections adopted at the request of a nongovernmental entity:**

New	Amended		Repealed
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**The number of sections adopted in the agency's own initiative:**

New	Amended	1	Repealed
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**The number of sections adopted in order to clarify, streamline, or reform agency procedures:**

New	Amended		Repealed
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**The number of sections adopted using:**

<b>Negotiated rule making:</b>	New	Amended		Repealed
<b>Pilot rule making:</b>	New	Amended		Repealed
<b>Other alternative rule making:</b>	New	Amended	1	Repealed